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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/043,566	01/10/2002	Boaz Maor	ARBP065	9296
21912 7590 11/24/2009 VAN PELT, YI & JAMES LLP 10050 N. FOOTHILL BLVD #200 CUPERTINO, CA 95014				
EXAMINER AKINTOLA, OLABODE				
ART UNIT 3691		PAPER NUMBER		
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

**Application No.**

10/043,566

**Applicant(s)**

MAOR, BOAZ

**Examiner**

OLABODE AKINTOLA

**Art Unit**

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 04 September 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-41 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-41 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SE/US)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(c), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(c) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 9/4/2009 has been entered.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-36 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent and recent Federal Circuit decisions, a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should

positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, Applicant's method steps are not tied to a particular machine and do not perform a transformation. Thus, the claims are non-statutory.

The mere recitation of the machine in the preamble (such as "electronic auction") with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.

4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-19, 21-22, 26-28, 31-33, 35 and 37-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Konia (US 7225151).

Re claims 1, 31-33, 35, 37-41: Konia teaches a method comprising: prior to conducting the auction round, determining a non-zero allocation to be allocated to each of the plurality of highest ranked bidders at a conclusion of the auction round (*time slots*), wherein the allocation (*time*) associated with each of the highest ranked bidders at the conclusion of the auction round is dependent upon the rank of each of the plurality of highest ranked bidders at the conclusion of the auction round; and wherein at least a first allocation (*time, e.g. 9:00 am*) associated with a first bidder and a second allocation associated with a second bidder are different; conducting the auction round; and after the auction round has been conducted, allocating the award between two or more of the plurality of highest ranked bidders in accordance with respective ranks of the two or more bidders at conclusion of the auction round and the allocations (*time*) determined prior to the conducting of the auction: wherein the rank of each of the plurality of the highest bidders is based at least in part on a comparison of the amount of their respective bids (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12). Konia does not explicitly teach allocation *amount (allocation in terms of quantity)*. However, it would have been obvious to one of ordinary skills in the art at the time of the invention to modify Konia's allocation to represent amount (i.e. volume or quantity) or quality such that bidders are at least aware of the allocations or awards prior to the conduct of auction based on relative rankings (since this is reasonably pertinent to the particular problem with which the applicant was concerned. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992)). For example

first ranked bidder is allocated a more quantity or volume (premium tee off time of 9:00 am Saturday morning) while other ranked bidders are allocated less quantity or volume (time slots as close to the premium time slot as possible for each particular bid (col. 6, lines 9-17)).

Re claim 2: Konia teaches wherein the amount to be allocated to a bidder having a certain rank after conducting the auction is the same regardless of which bidder attains that rank (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claim 3: Konia teaches wherein the amount to be allocated to a bidder having a certain rank after conducting the auction varies dependent on which bidder attains that rank (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claim 4: Konia teaches wherein the amount to be allocated to a certain bidder is dependent upon the rank of another bidder (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claim 5: Konia teaches wherein the amount to be allocated to a certain bidder is the same regardless of the rank of any other bidder (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claim 6: Konia teaches wherein the amount to be allocated to each ranked bidder is the same regardless of the ranking of the bidders (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claim 7: Konia teaches wherein a sum of the amounts allocated to the ranked bidders corresponds to a total volume to be awarded in the auction (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claim 8: Konia teaches determining a total volume to be awarded in the auction, wherein said determining an amount to be allocated to each bidder includes dividing the total volume to be awarded between the number of bidders to whom the award is to be allocated in the auction (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claims 9-11: Konia teaches wherein said dividing the total volume includes allotting different portions of the total volume to bidders of different ranks (see at least col. 1, lines 55-60, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12, and claim 1 analysis above).

Re claims 12-19, 21-22: Konia teaches displaying market feedback to at least one bidder while conducting the auction; allocating volume to the bidders during the auction in accordance with a current rank of each bidder and the allocation amounts determined prior to the conducting of the auction; and wherein the market feedback is provided to all bidders, and includes information

representing the volume allocated to each of the bidders; wherein the market feedback includes a volume allocated to a given bidder; wherein the volume to be allocated to the given bidder is provided only to the given bidder during the auction; wherein the volume to be allocated to the given bidder is provided to a further bidder during the auction; wherein the market feedback includes a rank of the at least one bidder; wherein the bidders are electronically coupled to an auction coordinator during the conducting of the auction; wherein the bidders submit bids to an auction coordinator online during the conducting of the auction; wherein the auction is a forward auction; soliciting potential bidders (see at least col. 1, lines 55-60, col. 4, line 63 through col. 5, line 2, col. 6, lines 3-18, 33-38, col. 7, lines 66 through col. 8, line 12 and claim 1 analysis above).

Re claims 26-28: Konia does not explicitly teach wherein each non-zero allocation amount is expressed as a percent of a total award; wherein each non-zero allocation amount is expressed as a quantity; wherein the quantity is a quantity of units. Konia teaches allocation as time. However, it would have been obvious to one of ordinary skills in the art at the time of the invention to modify Konia's allocation to represent amount (i.e. volume or quantity) or quality such that bidders are at least aware of the allocations or awards prior to the conduct of auction based on relative rankings (since this is reasonably pertinent to the particular problem with which the applicant was concerned. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992)). For example first ranked bidder is allocated a more quantity or volume (premium tee off time of 9:00 am Saturday morning) while other ranked bidders are allocated less quantity or volume



(time slots as close to the premium time slot as possible for each particular bid (col. 6, lines 9-17)).

Official notice is hereby taken that the concept of expressing an amount or quantity or volume as a (relative) percentage or absolute value is old and well known. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Konia's concept to include these feature for the obvious reason of providing an alternative to expressing a value, thereby enhancing the flexibility of the system.

Claim 29 is rejected under 35 U.S.C. 103(a) as being unpatentable over Konia in view of Gupta et al (USPN 7328185).

Re claim 29: Konia does not explicitly teach; wherein the quantity is a monetary value. Gupta teaches the concept of expressing a quantity as a monetary value (col. 6, lines 4-10, 46-48). It would have been obvious to one of ordinary skill at the time of the invention to modify Konia to include this feature in order to express the amounts on a per unit basis.

Claim 30 is rejected under 35 U.S.C. 103(a) as being unpatentable over Konia in view of Li et al (USPAP 20030004850)

Re claim 30: Konia does not explicitly teach wherein the allocation amount is a range of amounts. Li teaches this concept at ¶ 0173-0174. It would have been obvious to one of ordinary

skill at the time of the invention to modify Konia to include this feature in order to express the allocation as a range having lower and upper limits.

Claims 20 and 23-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Konia in view of Seshadri, S. et al ("Multiple Source Procurement Competitions", Market Science, summer, 1991).

Re claims 20 and 23-25: Konia does not explicitly teach wherein the auction is a reverse auction; wherein soliciting potential bidders includes: preparing a request for quotation; providing the request for quotation to potential bidders; and requesting that potential bidders respond to the request for quotation; wherein said request for quotation includes an identification of goods to be purchased; wherein said request for quotation includes an identification of services to be purchased. Seshadri teaches these concepts on page 4 of 18, paragraphs 3-7. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Konia to include these concepts. One would have been motivated to do so in order to incorporate the system with reverse auction format, thereby enhancing the functionality of the system.

Claims 34 and 36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Konia in view of Bezos et al (USPN 6606608).

Re claims 34 and 36: Konia does not explicitly teach wherein the first non-zero allocation amount is different from the third non-zero allocation amount; and wherein the second non-zero allocation amount is different from the fourth non-zero allocation amount. Bezos teaches the concept of allowing different discount criteria to apply to certain bidders, certain sellers, certain items or various combinations thereof (col. 5, lines 17-19, col. 6, lines 2-4). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Konia to incorporate this concept as taught by Bezos. One would have been motivated to do so in order to encourage bidders who match certain demographics (e.g. senior citizens) (Bezoz: col.5, line 27-28).

### ***Response to Arguments***

Applicant's arguments filed 9/4/2009 have been fully considered but they are not persuasive.

Applicant argues that Examiner appears to be making two contradictory statements regarding the Konia reference. Examiner respectfully disagrees. Nowhere in the rejection did Examiner states that Konia teaches allocation **amount**. Examiner simply cited Konia as teaching an allocation (time slot) and not allocation amount as alleged by Applicant. Also, Examiner did not use official notice in the rejection of claims 1, 31-33, 35 and 37-41 as alleged by the Applicant. The rejection is simply a single reference 103(a) obviousness rejection.

A more detailed rejection has been provided for claims 26-30 as requested by Applicant.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Olabode Akintola whose telephone number is 571-272-3629. The examiner can normally be reached on M-F 8:30AM -5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Olabode Akintola/

Examiner, Art Unit 3691